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February 15, 2021

Ann E. Misback, Secretary  
 Board of Governors of the Federal Reserve System  
 20th Street and Constitution Avenue NW  
 Washington, DC 20551

RE: Docket Number R-1723 and RIN Number 7100-AF94

Dear Secretary Misbeck:

NeighborWorks® Southern New Hampshire is private, non-profit community development organization with a focus on providing affordable housing, neighborhood revitalization, and assisting first time home buyers. We have been carrying out this mission-based work since our inception in 1992. We began our neighborhood focused work in the lowest income neighborhoods in the City of Manchester, New Hampshire. As the needs of our communities have changed and evolved over time, so has our organization, as we now serve 31 communities throughout our region.

To date, we have created over 500 units of affordable rental housing. We have created over 1,300 first time homebuyers. We have assisted over 10,000 individuals through our financial education programs including both home buyers as well as those seeking foreclosure prevention. Our work has resulted in over \$120 million in real estate development activity including new construction and housing preservation.

Until recently, the thought of mentioning the Community Reinvestment Act at a ground breaking, or crediting CRA at a ribbon cutting ceremony never entered my mind. Unfortunately, many of us have simply taken for granted the fact that CRA exists silently behind the scenes of our work. Every first time home buyer, low income renter, and targeted neighborhood we have worked with has benefited from CRA. In fact, much of our work would never have been possible if not for the Community Reinvestment Act which remains as important today as it was 44 years ago when first enacted by Congress.

We see firsthand the value of CRA as a non-profit organization seeking loans, investments, and philanthropic support for our work to create affordable rental housing for low-income families, to assist struggling first time homebuyers, and to revitalize neighborhoods with deteriorating housing stock. None of our work would be possible without the financial support we receive through grants and

**TRUSTEES**

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donations, loans and investments, and volunteer resources from our banking partners. To them, and the Community Reinvestment Act, we are grateful.

As an organization with nearly 30 years of experience in housing development and finance, we were deeply concerned by the proposed OCC rule changes in 2018 and 2020 that targeted CRA. Although we are pleased with the Boards' latest proposal to modernize the CRA framework, there are aspects of the proposal that we think can still be improved upon.

We support the National Community Reinvestment Coalition's position on using racial demographics when rating an institution's CRA performance and affirmatively considering race when delineating assessment areas. Providing special CRA credit for lending activity to minority borrowers and communities will assist us in furthering our neighborhood development work. As an organization, we have stepped up our belief and commitment to improving race, equity, diversity and inclusion opportunities throughout our community, and we believe that the Community Reinvestment Act needs to return to its roots in doing so as well.

As the banking world has evolved since our organization's inception, the work of non-depository lenders and credit unions have increased dramatically. We see far more consumers relying on mortgage products from these types of lenders (which fall outside of CRA regulations) than we do from banks. We believe these groups should be regulated under the CRA.

In addition, mortgage-backed securities in and of themselves should not be eligible for CRA credit. The exception should be for banks which purchase loans from Community Development Finance Institutions (CDFI's). Currently, an institution can meet CRA requirements by purchasing loans on the secondary market, and after their exam, sell them to another bank to satisfy their CRA needs. This practice of loan trading does not generate new investments in our targeted neighborhoods, nor does it generate new development, therefore it should not be allowed to be used to offset true CRA needs. Community reinvestment occurs when financial institutions provide capital and make loans and investments in all neighborhoods and communities rather than avoid specific segments of it.

Lastly, we disagree with the proposal to allow all mortgage lending to be consolidated into a single category. These metrics should be disaggregated to provide more detailed data. Although streamlining and improving the efficiency of the CRA exam process are essential, providing detailed loan data remains important to assure that low income borrowers and products that benefit low-income communities continue to provide equitable community development.

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Thank you for the opportunity to provide comments on the ANPR issued by the Board of Governors of the Federal Reserve System. Overall, this proposal represents a much better step in the right direction than other recent efforts that would have undermined the value of CRA. I am hopeful, however, that this opportunity will be used to modernize and strengthen CRA to better serve the communities it was created to address.

Sincerely,

A handwritten signature in blue ink, appearing to read "RT", is positioned above the typed name.

Robert Tourigny  
Executive Director